

MINUTES

Tuesday, July 24, 2018

**East Bay Municipal Utility District
Board of Directors
375 Eleventh Street
Oakland, California**

Special Meeting

President Lesa R. McIntosh called to order the Special Meeting of the Board of Directors at 9:30 a.m. in the Training Resource Center. The Board met in workshop session to receive information on the District's Recycled Water Master Plan Update.

ROLL CALL

Directors John A. Coleman, Frank Mellon, William B. Patterson, Marguerite Young, and President Lesa R. McIntosh were present at roll call. Director Doug Linney arrived at 9:31 a.m. and Director Andy Katz arrived at 10:01 a.m. (absent).

Staff present included General Manager Alexander R. Coate, General Counsel Craig S. Spencer, Director of Water and Natural Resources Richard G. Sykes, Manager of Water Supply Improvements Michael T. Tognolini, Senior Civil Engineer Linda H. Hu, Associate Civil Engineer Paul B. Gilbert-Snyder, Special Assistant to the General Manager Alison A. Kastama, and Secretary of the District Rischa S. Cole. Also in attendance was Mary Cousins, consultant with the firm Woodard and Curran.

PUBLIC COMMENT

There was no public comment.

DISCUSSION

- The following was filed with the Board: 1) a presentation entitled "Recycled Water Master Plan Update," dated July 24, 2018.

Manager of Water Supply Improvements Michael T. Tognolini summarized the workshop agenda and the District's approach to managing its current Recycled Water Program and achieving the program goals. He highlighted the potential potable reuse options being considered in the Recycled Water Master Plan Update and how these options are currently regulated as well as lessons learned since the first master plan was developed in 1991.

Associate Civil Engineer Paul B. Gilbert-Snyder presented an overview of how the list of Recycled Water Master Plan project alternatives was developed and the status of current non-potable projects under construction or in progress. He reviewed the various non-potable projects evaluated for the master plan update and the criteria used to screen out projects. He discussed potential potable reuse sources in and around the District's service area and possible District locations for potable reuse augmentation. Based on the initial assessment, Mr. Gilbert-Snyder said 14 non-potable and 36 potable project alternatives were evaluated for inclusion in the master plan update.

Mary Cousins with the firm Woodard and Curran reviewed the process used to evaluate the project alternatives and develop a recommended strategy. The process looked at project capital cost development, social and environmental considerations per District Policy 7.05 – Sustainability and Resilience, the complexity and risks of implementation, and an economic evaluation of how the project alternatives compare in cost to the District’s other water supply alternatives. She noted that the 14 non-potable alternatives were previously identified as potential projects and updates were made to their prior cost estimates for evaluation purposes. The 36 potable alternatives and their cost considerations are all new for the master plan update and the cost considerations do not include expenses for nutrient upgrades. The evaluation recommended that the District maintain its 20 million gallons per day (MGD) goal for 2040, implement four non-potable projects as part of the master plan update and forego implementing the potable reuse alternatives because the proposed projects are larger than current District water supply needs and cost prohibitive. However, Ms. Cousins said the District should continue monitoring these alternatives as regulations are developed for nutrient removal and criteria are adopted for raw and treated water augmentation.

Senior Civil Engineer Linda H. Hu discussed the District’s existing non-potable projects and those under construction. She highlighted the four non-potable projects recommended as part of the master plan update which would provide approximately nine additional MGD of recycled water to the District’s Water Recycling Program. These include a new project at the Phillips 66 Refinery in Rodeo (3.7 MGD), expansion of the District’s projects with Chevron at the Richmond Advanced Recycling Expansion Water Project (1.5 MGD) and the North Richmond Water Reclamation Plant (1.0 MGD), and expansion of the East Bayshore Recycled Water Project (1.9 MGD) and the DERWA Project (1.0 MGD). She reviewed the estimated project phasing schedule and associated capital costs and commented on how the District could use potable reuse in the future as a tool to provide long-term water supply reliability. Staff will continue monitoring the progress of potable reuse projects in the state, support development of potable reuse regulations and develop the District’s long-term strategy for potable investments.

Recommendations for the District’s Recycled Water Program include maintaining the current program goal of 20 MGD by 2040; continuing customer outreach and expansion; evaluating revisions to the recycled water pricing strategy; continuing planning and design of the recommended non-potable projects; tracking potable reuse regulations, research, and developing projects; and re-evaluating potable reuse in approximately 10 years. Ms. Hu reviewed next steps for the master plan update and said a final Recycled Water Master Plan Update would be completed by February 2019.

Board Discussion

Board members thanked staff for the update and requested the following:

- A reassessment of potable reuse in 5 years versus the 10 years recommended in the evaluation findings and consider adjusting the District’s 20 MGD recycled water goal at that time;
- Determine if wastewater supplies are available for non-potable use and secure them;
- Confirm alignment of the District’s East Bayshore Recycled Water Project pipeline with potential customer projects;

- Additional information on how the District uses its water supply assessments to determine recycled water availability for projects and the rationale for when recycled water use is recommended to potential customers;
- Additional information on the non-cost factors used in the alternatives evaluation process;
- Consider how eventual transition from hydrocarbon use will impact recycled water projects at refineries;
- Additional information on the low scoring, lower cost potable reuse projects identified on presentation slide 29; and
- Staff follow-up with DERWA stakeholders regarding DERWA Project supply deficiencies.

ADJOURNMENT

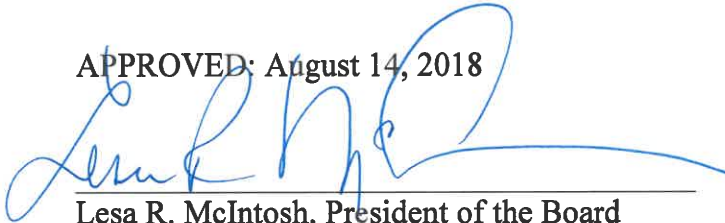
President McIntosh adjourned the Special Meeting at 10:57 a.m.

SUBMITTED BY:



Rischa S. Cole, Secretary of the District

APPROVED: August 14, 2018



Lesa R. McIntosh, President of the Board

